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**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF MONTANA
BILLINGS DIVISION**

GIACOMETTO RANCH INC., a Montana Corporation, JOHN THOMAS GIACOMETTO, a/k/a Tom Giacometto, a resident of Montana,)	CASE NO. <u>CV-23-139-BLG-SPW-TJC</u>
Plaintiffs,)	COMPLAINT AND DEMAND FOR JURY TRIAL
v.)	
EXXON MOBIL CORPORATION, a New Jersey Corporation, DENBURY INC., a Delaware Corporation, DENBURY ONSHORE, LLC, a Delaware Company, and DENBURY OPERATING COMPANY, a Delaware Corporation,)	
Defendants.)	

I. PARTIES

1. Plaintiff John Thomas Giacometto (“Tom Giacometto”) is a resident of Powder River County, Montana.

2. Plaintiff Giacometto Ranch Inc. is a Montana corporation in good standing, incorporated in 1975, with principal place of business in Powder River County, Montana, and whose registered agent is Tom Giacometto, 1647 Ranch Creek Road, Broadus, MT 59317.

3. Defendant Exxon Mobil Corporation is a corporation organized and existing under the laws of the State of New Jersey. The address of the corporation's registered office is 830 Bear Tavern Road, West Trenton, New Jersey 08628-1020. The name of the corporation's registered agent at this address is Corporation Service Company. Exxon Mobil's principal place of business is 22777 Springwoods Village Parkway, Spring, Texas 77389.

4. Defendant Denbury Onshore, LLC, is a Delaware limited liability company authorized to do business in the state of Montana. Denbury Onshore, LLC's principal place of business is 5320 Legacy Drive, Plano, TX 75024 and its registered agent in Montana is CT Corporation System, 3011 American Way, Missoula, MT 59808.

5. Defendant Denbury Operating Company is a Delaware corporation authorized to do business in the state of Montana. Denbury Operating Company's

principal place of business is 5320 Legacy Drive, Plano, TX 75024 and its registered agent in Montana is CT Corporation System, 3011 American Way, Missoula, MT 59808.

6. Defendant Denbury Inc. is the ultimate parent company of Denbury Onshore LLC and Denbury Operating Company and is a corporation organized and existing under the laws of the State of Delaware. Denbury Inc.’s principal place of business is 5851 Legacy Circle, Suite 1200, Plano, Texas 75024. The address of its registered office in the State of Delaware is 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle. The name of the registered agent of the Corporation at this address is The Corporation Trust Company.

7. Denbury Inc. filed a Notification of Late Filing on Form 12b-25 with respect to its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023 (the “Form 10-Q”). As disclosed in Denbury Inc.’s Current Report on Form 8-K filed with the United States Securities and Exchange Commission on July 14, 2023, on July 13, 2023 Denbury Inc. entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Exxon Mobil Corporation, a New Jersey corporation (“ExxonMobil”), and EMPF Corporation, a Delaware corporation and a wholly-owned subsidiary of ExxonMobil (“Merger Sub”). Upon the terms and subject to the conditions set forth in the Merger Agreement, on November 2, 2023, Merger Sub

merged with and into Denbury Inc. (the “Merger”), with Denbury Inc. surviving the Merger as a wholly owned subsidiary of ExxonMobil.

II. JURISDICTION AND VENUE

8. This Court has jurisdiction pursuant to 28 U.S.C. § 1332.

9. Plaintiff Tom Giacometto is a resident of Powder River County, Montana, and Plaintiff Giacometto Ranch Inc. is a business incorporated in Montana.

10. Defendants Denbury Onshore, LLC, Denbury Operating Company, and Denbury Inc. are businesses incorporated in Delaware, with their principal places of business in Texas. Defendant Exxon Mobile Corporation is a business incorporated in New Jersey, with its principal place of business in Texas.

11. The monetary value of the matter in controversy exceeds \$75,000.00.

12. Venue is proper in the District of Montana under 28 U.S.C. § 1331(b)(2) because the events giving rise to this action occurred on the Giacometto Ranch property, located in Powder River County, Montana.

III. FACTUAL ALLEGATIONS

A. The Giacometto Ranch

13. Plaintiff owns roughly 20,000 acres of land located in Powder River County, Montana (the “Giacometto Ranch”), a few miles to the southeast of Broadus, Montana.

14. The Giacometto family has farmed, ranched, and earned a livelihood from the Ranch for generations.

15. In 1975, the Giacometto family members formed Giacometto Ranch, Inc., and deeded land to the family corporation.

B. Related Procedural Background

16. A prior lawsuit brought by the Giacomettos against Denbury is captioned similarly, having substantially the same Plaintiffs and Defendants. It is being litigated in the United States District Court for the District of Montana, Billings Division. Its case number is 1:16-cv-00145 and is hereinafter referred to as the “Preceding Litigation.”

17. As of the date of filing this Complaint, the Preceding Litigation remains pending.

18. Based on positions taken and documents disclosed in the Preceding Litigation, the Giacomettos determined that deficiencies in Denbury’s standards of care, Denbury’s insufficient investigation and correction following known incidents, and Denbury’s apparent reluctance to update dangerous pipeline infrastructure have caused an ongoing nuisance on the Giacometto Ranch property.

C. Denbury’s CO₂ Enhanced Oil Recovery Development of the Bell Creek Field

19. The Bell Creek field is a producing field in Powder River County. It was, at one time, unitized into seven large units - Units A-E, the Ranch Creek Unit,

and the South Unit. Those units were subsequently dissolved, consolidated, and named the Bell Creek Consolidated (Muddy) Unit (“BCCU”).

20. Denbury has been engaged in developing and operating the BCCU for enhanced oil recovery (“EOR”) purposes. The development comprises nine phases, each of which cover a specific geographic area, specifically one or two of the seven large units into which the field was once divided.

21. Phase 1 of Denbury’s development and operation in the BCCU takes place in what was once known as the “Bell Creek ‘D’ Unit area.” During this phase, Denbury acquired or installed approximately 32 CO₂ and produced water injection pipelines in Unit D (the “Unit”).

22. These injection pipelines carry CO₂ and/or produced water from two test sites, Test Site 1 and Test Site 2, to numerous EOR injection wells within the Unit.

23. All thirty-two of the CO₂ and produced water EOR injection pipelines installed and operated in the Unit are made from fiberglass material.

24. As Denbury progressed from Phase 1 of the development of the BCCU, out of Unit D and into Units A, B, and C, it discontinued the use of fiberglass for the EOR injection pipelines. Denbury installed approximately 82 more injection pipelines to carry CO₂ and produced water from the remaining test sites, Test Sites 3-7, all made of carbon steel.

25. The fiberglass pipelines create an unacceptable risk to the Giacometto operation because they have repeatedly failed in an unpredictable manner, causing releases of CO2 and explosions of earth and pipeline material akin to bomb craters. Because of the unpredictable nature of these failures, merely being present on the surface of the Ranch near these lines creates a risk of serious injury or death that cannot be mitigated through any behavior of the Giacomettos.

D. CO₂ Releases Caused by Denbury

26. On or about June 2, 2013, a fiberglass CO2 injection pipeline carrying CO2 from Test Site 1 failed about 500 yards south-southeast of Tom Giacometto's residence in his alfalfa field, allowing an undetermined amount of CO2 to be released into the ground, causing it to swell and heave, and necessitating repair and reseeding.

27. On or about June 14, 2013, a fiberglass CO2 injection pipeline from Test Site 1 or Test Site 2 failed at an unknown location within Bell Creek Unit D, causing an undetermined amount of CO2 to be released.

28. On or about July 21, 2013, a leak developed in the fiberglass CO2 injection pipeline from Test Site 1 to the 31-09 injection well while an operator was charging the injection pipeline with CO2. An undetermined amount of CO2 was released.

29. On or about July 21, 2013, a Star fiberglass CO2 injection pipeline from Test Site 1 or Test Site 2 failed at an unknown location within Bell Creek Unit D, causing an undetermined amount of CO2 to be released.

30. On or about August 4, 2013, a Star fiberglass CO2 injection pipeline from Test Site 1 or Test Site 2 failed at an unknown location within Bell Creek Unit D, causing an undetermined amount of CO2 to be released.

31. On or about September 3, 2013, a fiberglass CO2 injection pipeline from Test Site 1 failed about 500 yards southeast of Tom Giacometto's residence and 120 yards southwest of Test Site 1, causing an undetermined amount of CO2 to be released.

32. On or about October 19, 2013, a fiberglass CO2 injection pipeline from Test Site 1 or Test Site 2 failed at an unknown location within Bell Creek Unit D, causing an undetermined amount of CO2 to be released.

33. On or about October 22, 2013, a fiberglass CO2 injection pipeline from Test Site 1 or Test Site 2 failed at an unknown location within Bell Creek Unit D, causing an undetermined amount of CO2 to be released.

34. On or about December 15, 2013, a fiberglass CO2 injection pipeline from Test Site 1 or Test Site 2 failed at an unknown location within Bell Creek Unit D, causing an undetermined amount of CO2 to be released.

35. On or about March 26, 2014, a fiberglass CO2 injection pipeline failed at an unknown location within Bell Creek Unit D due to ground shift, causing an undetermined amount of CO2 to be released.

36. On or about August 23, 2014, the fiberglass CO2 injection pipeline from Test Site 1 to the 32-07 injection well failed approximately 300 yards southeast of Tom Giacometto's residence and 280 yards west of Test Site 1, causing an undetermined amount of CO2 to be released.

37. On or about December 28, 2014, a fiberglass CO2 injection pipeline ruptured approximately 200 yards west of the 05-09 injection well, causing an undetermined amount of CO2 to be released.

38. On or about January 14, 2017, a fiberglass CO2 injection from Test Site 2 to the 05-07 injection well developed a leak near Test Site 2, releasing approximately 1000 mcf CO2 into the atmosphere.

39. On or about October 17, 2017, a contractor drilled through the fiberglass CO2 injection pipeline from Test Site 2 to the 05-09 injection well, approximately 125 yards east of Test Site 2, causing approximately 7 mcf CO2 to be released into the atmosphere.

40. On or about December 24, 2018, the fiberglass CO2 injection pipeline from Test Site 2 to the 04-05 injection well failed about 200 yards west of the 05-09, causing approximately 37 cubic yards of CO2 to be released.

41. On or about January 24, 2023, a fiberglass CO2 injection pipeline from Test Site 2 to the 05-05 injection well failed approximately 175 yards south of the 05-05 well, causing an undetermined amount of CO2 to be released.

IV. CLAIM FOR NUISANCE

42. Defendants' operation of the fiberglass pipeline infrastructure in Unit D constitutes an ongoing nuisance because the pipeline system has proven itself to be unsafe and unreasonably volatile, injurious to health, offensive to the senses, and an obstruction to the free use of the Giacomettos' property , and an interference with the comfortable enjoyment of life and property. The pipelines in Unit D have leaked and spilled numerous times and at a much higher rate than any other areas or Units on the Giacometto Ranch and pose an ongoing threat to the safety and welfare of the Giacomettos and anyone on their ranch near Unit D. The only way to abate the nuisance is to cease operation of the pipeline system in Unit D or replace the faulty pipelines in Unit D with new pipelines that do not have the same significantly high failure rate as the current pipeline infrastructure.

V. PRAAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request relief from this Court as follows:

I. A permanent injunction requiring Defendants to cease transportation of CO2 and produced water through existing pipelines in Unit D unless and until such pipelines are replaced; and

- II. For costs associated with this litigation; and
- III. For such other legal or equitable relief as deemed necessary and just by this court.

VI. DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiffs demand trial by jury in this action as to all issues so triable.

Dated: November 22, 2023

Respectfully submitted,

/s/ Derrick Braaten

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